

Minutes of the Finance Committee

Wednesday, February 20, 2013

Chair Haukohl called the meeting to order at 8:30 a.m.

Present: Supervisors Pat Haukohl, Richard Morris, Dan Draeger, Bill Zaborowski, Larry Nelson, and Pamela Meyer. **Absent:** Cathleen Slattery.

Also Present: Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth, Sheriff Dan Trawicki, Inspector Eric Severson, Deputy Inspector Jim Gumm, Jail Administrator Mike Giese, Business Manager Lyndsay Johnson, Labor Relations Manager Jim Richter, Senior Civil Engineer Karen Braun, Senior Financial Analyst Clara Daniels, Accounting Services Manager Larry Dahl, Principal Financial Projects Analyst Bob Ries, Budget Manager Keith Swartz, Airport Manager Kurt Stanich, Public Works Director Allison Bussler, and Parks System Manager Duane Grimm. Recorded by Mary Pedersen, County Board Office.

Ordinance 167-O-084: Expenditure Of Seized Funds – Amend The 2013 Sheriff’s Department Budget For Multiple Purchases

Trawicki, Severson, and Johnson were present to review this ordinance which authorizes the department to use \$270,140 of seized funds for the following items (current balance is \$421,817): \$10,140 for 39 self-contained breathing apparatus devices to alert man down; \$2,000 for a chair designed to move recalcitrant inmates; \$19,000 for four card readers at Huber; \$30,000 for recording equipment for squads; \$90,000 for a replacement dive truck; \$40,000 for four night vision scopes for the Tactical Enforcement Unit; \$13,000 for defense and arrest tactics safety equipment; \$50,000 for 52 tasers, and \$15,000 for command staff tables and smart phones.

Trawicki noted the current dive truck, a mid 1980’s model, has cost the department \$40,000 in repairs and maintenance. The purchase of the tasers will allow each officer to have a device as well as some replacements. Morris asked how many smart phones and tablets would be purchased. Trawicki estimated enough for ten staff members. Meyer felt that was a lot of money for ten people and asked if monthly service charges were included. Trawicki said maintenance fees are part of that and the money will allow them some flexibility including monthly service charges. However, future year charges and ongoing costs will need to be budgeted.

MOTION: Morris moved, second by Zaborowski to approve Ordinance 167-O-084. Motion carried 6-0.

Ordinance 167-O-085: Amend 2013 Sheriff’s Department Budget For The Expenditure Of Seized Funds To Participating Agencies In February 2013

Trawicki discussed this ordinance as outlined which allows the department to distribute a share of federal asset forfeiture seized funds to participating Metro Drug Unit agencies as follows: \$42,341 to the City of Waukesha; \$21,469 to the City of New Berlin; \$4,288 to the City of Muskego; \$4,294 to the Village of Hartland; \$4,205 to the Village of Pewaukee; and \$8,513 to the Village of Eagle.

To answer Meyer’s question, these forfeitures cannot be used to supplant budgets. Haukohl pointed out a typographical error in the fiscal note.

MOTION: Nelson moved, second by Zaborowski to approve Ordinance 167-O-085. Motion carried 6-0.

Approve Minutes of 2-6-13

MOTION: Nelson moved, second by Morris to approve the minutes of February 6. Motion carried 6-0.

Schedule Next Meeting Dates

- March 6

Chair's Executive Committee Report of 2-18-13

Haukohl highlighted the following items discussed at the last Executive Committee meeting.

- Approved Ordinance 167-O-083 to create a capital project for terminal ramp expansion at the Airport.
- Approved four appointments.
- No action was taken on Resolution 167-R-010 to discontinue County financial support to the Museum beginning in 2014. Some committee members felt this should be considered during the budget process.
- Reviewed and approved the 2013-2015 Internal Audit plan.
- Heard reports on the Wisconsin Counties Association (WCA) Legislative Exchange, WCA Ambassador Program, and the Wisconsin Workforce Development Day.

Announcements

Haukohl advised she is unable to attend the April 3 Finance Committee meeting and vice-chair Meyer will chair that meeting. A joint meeting of the Personnel, Finance, and Executive committees will be held in June to hear a presentation on the compensation study. She asked supervisors to respond to a County Board staff email for scheduling purposes.

Ordinance 167-O-086: Ratification of 2013-2015 Wisconsin Professional Police Association Collective Bargaining Agreement

Richter reviewed this ordinance as outlined including changes in contract language and personnel policy, employee benefits, and classification and compensation. Effective December 29, 2012 these employees would contribute 3% of wages to the Wisconsin Retirement System. The contribution increases to 5% of wages effective December 28, 2013. Effective December 27, 2014 employees would contribute the same percentage as required by statute for the general employee category (currently 6.5%). Under Wisconsin Act 32, employees hired after July 1, 2011 are required to contribute the general employee rate.

The following across-the-board increases would be approved: 2.5% (effective December 29, 2012); 1% (June 29, 2013); 2.5% (December 28, 2013); and 2.25% (December 27, 2014). Wage and benefit changes would result in the following net funding increases/decreases: -0.22% in 2013 (\$11,787,791); 1.43% in 2014 (\$11,955,975); and 0.94% in 2015 (\$12,068,319). The 2013 adopted budget includes sufficient funding for the 2013 changes and the 2014 and 2015 changes will be built into those proposed budgets.

Zaborowski felt the County should have gone to arbitration as he believes this will set a precedent. He thought these benefits, paid by the taxpayers, were too generous. Richter did not think the

County would have benefitted from arbitration and felt the agreement was reasonable. Nelson said a voluntary agreement by this group of employees, who are not required to contribute to their pensions, is a win-win. Arbitration is often a lose-lose and he felt the County would have lost as there are not many other voluntary agreements on the pension issue.

MOTION: Morris moved, second by Meyer to approve Ordinance 167-O-085. Motion carried 5-1. Zaborowski voted no.

Ordinance 167-O-081: Sale Of Excess Right Of Way, Parcel 23 CTH L Janesville Road

Braun reviewed this ordinance which authorizes the sale of about 0.610 acres of land originally acquired as right-of-way for a highway improvement project on CTH L (Janesville Road) in the City of Muskego. This parcel has been determined to be excess right-of-way. This portion of land, formerly the Muskego Firestone site, has an estimated selling price of \$200,000 to \$250,000. The sale is subject to Public Works Committee approval. The net proceeds from the sale will be returned as revenue to Capital Project 200011 (CTH L, CTH Y & to Moorland Road) which had paid for the original property acquisition. These funds may be appropriated to pay for additional project expenditures with future County Board approval.

Haukohl said it was important the County recover all clean-up costs for the site. Braun concurred and noted the County may make a small amount of money on the sale but it will be close to break-even.

MOTION: Draeger moved, second by Zaborowski to approve Ordinance 167-O-081. Motion carried 6-0.

Ordinance 167-O-082: Sale Of Excess Right Of Way, Parcels 2 And 7 CTH L Janesville Road

Braun discussed this ordinance which authorizes the sale of about 0.812 acres of land originally acquired as right-of-way for a highway improvement project on CTH L (Janesville Road) in the City of Muskego. This parcel has been determined to be excess right-of-way. It is zoned residential and has an estimated selling price of \$60,000 to \$70,000. The sale is subject to Public Works Committee approval. The net proceeds from the sale will be returned as revenue to the Capital Project 200011 (CTH L, CTH Y & to Moorland Road) which had paid for the original property acquisition. These funds may be appropriated to pay for additional project expenditures with future County Board approval.

To answer Zaborowski's question, Braun said the County may lose a small amount of money on this lot, largely due to the economy, as it was valued higher at the time of purchase.

MOTION: Morris moved, second by Draeger to approve Ordinance 167-O-082. Motion carried 6-0.

Ordinance 167-O-087: Transfer Carryover Funds From 2012 Unexpended Appropriations To 2013 Budgeted Appropriations

Dahl and Ries explained each carryover as outlined in the ordinance which included information on department, fund/cost center, amount approved/project, and justification. It is requested that \$2,292,952 of 2012 budget appropriations be carried over to the 2013 budget to enable the purchase of goods and services that, for whatever reason, could not be completed in 2012.

To answer Haukohl's question, Swartz said the Community Development and UW-Extension carryovers are interrelated and are actually accounted for twice in the carryover total amount, whereby he and Dahl explained this further.

MOTION: Zaborowski moved, second by Draeger to approve Ordinance 167-O-087. Motion carried 6-0.

Year-end Report on Investments

Ries reviewed his report as outlined which included information investment yield and revenue, average daily balance, total County investment income and average investment rates, portfolios by investment type, etc. The total return for the quarter was down four basis points from the last quarter, to 0.49%. Total interest earnings for the quarter were \$791,900, down \$381,850 from the third quarter, due largely to a decrease of around \$435,000 in the amount of the realized gains as compared to the prior quarter, partially offset by a \$163,475 increase in par value adjustments on the TIP securities. A decrease of \$57.6 million in average invested balances was also a factor in the decrease in interest earnings. The average investment balance in 2012 was \$252,665,407 while the average investment income was \$4,966,870. Ries indicated that each of the County's investment advisors reached their respective benchmarks.

MOTION: Nelson moved, second by Draeger to accept the year-end report on investments. Motion carried 6-0.

Annual Report on Interest Allocations

Ries reviewed the "Summary of Current Interest Allocations" and "Prior Interest Allocations" which included information on the County fund of which the funds are allocated, how it was authorized, rationale, and if rescinded, when and why.

Haukohl asked what the beginning balance was for the Tarmann Fund. Ries said the average for the year was \$5.9 million. Referring to the Treasurer's budget, Haukohl asked that future reports better clarify interest income versus sales of securities income, individual fund balances, allocation percentages, and final calculations. Meyer asked for information on values at year-end. Ries concurred and said future reports will also list the gains separately.

MOTION: Meyer moved, second by Zaborowski to accept the annual report on interest allocations. Motion carried 6-0.

Ordinance 167-O-083: Modify The 2013 Capital Budget And Create Capital Project 201311, Terminal Ramp Expansion And Ratify Petition For Airport Improvement Aid

Mader advised of amendments made by the Executive Committee whereby copies of the amended ordinance were distributed. The amendments were procedural in nature and do not affect the merits of the project. Also distributed were aerial maps and corrected copies of the resolution to petition the Secretary of Transportation for Airport improvement aid.

Bussler and Stanich discussed this ordinance as outlined which creates Capital Project 201311 (Terminal Ramp Expansion). The additional ramp will accommodate additional corporate air facilities, a primary objective in the Airport's strategic plan. The total project cost is estimated at

\$2.8 million. This ordinance also authorizes the petitioning for 80% Airport Improvement Federal/State Aid totaling \$2,240,000. The County's 20% share is estimated at \$560,000 and will be funded using available Airport Fund balance. The additional hangar is estimated to generate initial annual land lease revenues of \$50,000. Also, increased airport traffic may generate additional fuel sales which have not been estimated at this time. On-going operating costs for additional taxiway pavement may increase about \$2,000 to \$2,500 for snow removal and the County's portion of the capital improvement depreciation expense annually is estimated at \$28,000 (assuming a 20-year useful life). The additional revenues and on-going operating costs will become part of future Airport budgets for 2014 and beyond.

MOTION: Nelson moved, second by Zaborowski to approve Ordinance 167-O-083. Motion carried 6-0.

Ordinance 167-O-079: Approve Land Use Permit And Temporary Limited Easement To Kris W. Droegkamp For Construction And Maintenance Of An Improved Ingress And Egress
Grimm reviewed this ordinance which authorizes a permanent land use permit and a temporary limited easement to be issued to Kris W. Droegkamp for the purpose of allowing access rights to County owned land. This will include permission, authority, and rights to construct and maintain a 25-foot wide by 100-foot long ingress and egress across the Bugline Trail Corridor for his driveway access. It also grants a temporary limited easement for 270 days for the purpose of accessing County owned lands related to the permit. A permit fee charge of about \$1,600 will be paid to the County and will go towards achieving the 2013 budget amount for Parks permit fees and other miscellaneous revenues budgeted at \$11,000.

MOTION: Morris moved, second by Draeger to approve Ordinance 167-O-079. Motion carried 6-0.

Report on the Wisconsin Counties Association (WCA) Legislative Exchange of February 5 and 6

Haukohl said she heard a presentation by Todd Berry, head of the Taxpayer's Alliance, who spoke about the State's budget surplus and he was somewhat concerned about the income tax cut. He feels that instead of an overall tax cut the State should conduct an overall tax reform. He talked about the importance of the "rainy day fund" for raising the State's bond rating. She heard a speaker on workforce development and a shortage of the skilled workforce to what jobs are available. Mark O'Connell of WCA spoke about the \$16.4 trillion national debt. She heard a presentation on how the State budget is developed. A presentation was held on Internet security and the importance of secure passwords. It is important that IT departments be held accountable for IT security and do not cut funding for this purpose. Hackers are constantly working to get into government systems for personal data which is very saleable. Governor Walker spoke about the budget and he is adding close to \$30 million for various areas of mental health. There was also a presentation on advocacy and the importance of approaching your legislators on issues of concern and the best ways to do so.

State Legislative Update

Spaeth expanded on Haukohl's report on the Internet security segment. Adam Neylon was elected (currently by 30 votes) State Representative for the 98th district and there is no democratic opponent. Spaeth said the Governor's budget will be released tonight at which time County staff

will begin their analysis. Walker indicated that counties will receive \$55 million in State highway maintenance funding of which Waukesha County will receive \$2.2 million. The transportation fund protection amendment passed the Assembly 82-13 and the Senate will vote on it today at noon. Spaeth said the County has concerns with several bills generated by the 911 Study Committee primarily with funding options which she explained further.

Future Agenda Item

- Review Finances of the Materials Recycling Facility (Haukohl)

MOTION: Draeger moved, second by Nelson to adjourn at 11:20 a.m. Motion carried 6-0.

Respectfully submitted,

William J. Zaborowski
Secretary